

BOX MAKERS IN LARGE MERGER

Cleve. Press 1/20/30
Container Corporation Ac-
quires Two Other Con-
cerns in Same Field

CHICAGO, Jan. 20—Walter P. Paepcke, president of the Container Corporation of America, announced today the closing of negotiations for the acquisition of assets of the Sefton Manufacturing Corporation and the Dixon Board Mills Inc. The transaction was closed with Sefton Inc., a holding company which received 117,514 shares of Class A stock of the Container Corporation. This stock has a par value of \$20 a share.

Two new subsidiary companies to acquire the assets of these acquisitions have been incorporated in Delaware by the Container Corporation. They are the Sefton Container Corporation and Dixon Board Mills Inc. Combined assets of Container Corporation and the two new subsidiaries on Jan. 1, 1930, exceeded \$30,000,000, according to Paepcke.

He said that no changes in personnel will result from the transaction. Wesley M. Dixon, president of Sefton Manufacturing Corporation, will shortly be elected to the board of directors of Container Corporation of America, Paepcke said.

Sefton Manufacturing Corporation plants are located at Chicago, Ill.; Anderson, Ind., and Brooklyn. The Dixon Board Mills plant is at Carthage, Ind.

The Container Corporation of America was organized in 1926. Its plants are located at Chicago, Kokomo and Anderson, Ind.; Cincinnati, Circleville and Cleveland, O.; Fairmont and Charleston, W. Va.; Philadelphia, Pa.; Bridgeport, Conn., and Natick, Mass. Branch sales offices are located thruout the country.

Container Corporation of America

Container Corp. Takes Over Sefton Mfg. Co.

CONTAINER Corporation of America adds to its organization one of the oldest manufacturers in the packaging industry in the acquisition of the Sefton Manufacturing Corp., effected last week. The absorption of Sefton brings to Container Corporation additional annual business of approximately \$5,500,000 a year and will make the 1930 total approximately \$23,000,000, Walter P. Paepcke, president, estimates.

The corporation was formed in 1926. Although in business less than four years, it is today the largest producer of boxes and containers in the country. It has led in the production of box board, solid fibre and corrugated containers and test liners. The Sefton acquisition will bring it additional business in this field, and also give it a complementary line of products in a field which Container has not previously touched, the manufacture of folding boxes, waxed cartons, suit boxes, display cartons, paper pails and other boxes so extensively used today.

Plants are located at Chicago, Kokomo and Anderson, Indiana; Cincinnati, Circleville and Cleveland, Ohio; Fairmont and Charleston, West Virginia; Bridgeport, Connecticut, Natick, Massachusetts and Philadelphia. Branch sales offices are located all over the country.

Sefton will add to this group three fabricating plants, located at Chicago, Anderson, Indiana and Brooklyn. The Brooklyn plant will bring Container more ready access to the large metropolitan area of New York.

The Sefton company also brings to Container the Dixon Board Mills, Inc., located at Carthage, Indiana, producing 30,000 tons of paper board annually. These mills filled approximately half of the raw material requirements of the Sefton Manufacturing units, leaving a large tonnage requirement for raw materials which can be filled by existing Container Corporation mills.

The entire personnel of the Sefton Co. will be retained by Container and Wesley M. Dixon, president, will become a director of Container Corporation.

The Sefton Manufacturing Co. was one of the first manufacturers of merchandise packages. A predecessor company began operations in Anderson, Indiana, in 1888. Its first products were wooden butter dishes and hand made oyster pails. The company moved to Chicago in the next year and entered upon the manufacture of corrugated board and packaging specialties.

Its history includes nearly all of the developments which have revolutionized merchandise packaging. The corrugated box was first adopted by industry generally in the early years of the company's development, and it was an early leader in the field. The employment of individ-

ual consumer packages of many types of merchandise has been a development of the past few decades, and Sefton in common with other members of the packaging industry was a participant in this development.

The packaging industry has shown since 1900 an annual growth of from six to twelve per cent, and the Sefton company has kept pace with the growth of the industry.

Anti Salary Purchasing Law

THE constitutionality of the anti-salary purchasing law will be tested in the Court of Appeals at Cleveland in the near future. The question as to whether or not the working man must pay 240 per cent "interest" on "loans" will be decided. A hearing set for the Circuit Court of Appeals Wednesday of this week was postponed owing to illness of Judge Sullivan.

Loan sharks and salary purchasers have been the target of the Cleveland Better Business Bureau and its affiliated Bureaus throughout the state since early in 1926 culminating in the passage of a law making salary purchases practically illegal. This law passed both the House and the Senate of the last session unanimously and became effective July 4, 1929.

It soon became evident that salary purchasers in every large city in the state were still operating in open defiance of the law. Accordingly, Better Business Bureaus and Legal Aid Societies, in cooperation with local police authorities conducted raids in such offices in Columbus, Toledo, Cincinnati and Cleveland.

Cleveland raids were conducted October 10th and resulted in the arrest of the local managers and operators of three salary purchasing companies—The Meyerholtz Company, 2056 E. 4th Street, The Hubbard Company, 318 Euclid Avenue and the J. D. McWilliams Company, 406 Euclid Avenue.

These men were later found guilty and fined by Municipal Judge David Meck. Their cases were immediately appealed to test the constitutionality of the law protecting working men from the payment of exorbitant "interest."

In the Court of Appeals hearing in Cleveland, the city will be represented by Assistant Law Director Ben Levin and the State of Ohio will be represented by an attorney from the Securities Department, Wm. S. Bundy.

Better Business Bureaus throughout the entire country, who have for years put much time and money into this fight watch the Cleveland case with keen interest. Bureaus interested in this problem are located in Chicago, Kansas City, St. Louis, Detroit, Indianapolis, Philadelphia and every principal city in Ohio.

CONTAINER CORP. WIDENING SCOPE

Recent Acquisitions in Line with Proposed Expansion —New Fields Entered

From THE WALL STREET JOURNAL Chicago Bureau

CHICAGO—The recent acquisition of the Gibraltar Corrugated Paper Co. by the Container Corp. is in line with the expansion program outlined by Walter P. Paepcke, president, at the last annual meeting. At that meeting, Mr. Paepcke pointed out that the corporation had demonstrated its earning power under adverse conditions. He said it would be possible for Container to acquire additional properties which would further diversify its operations and gradually bring it into a more dominant position in the industry.

Although Container is the largest company in its industry, with sales of about \$18,000,000 in 1929, it still does only about 8% of the total business. There are about 80 companies in the same industry, of which 20 may be considered direct competitors of Container. Consummation of consolidation plans contemplated in the paper box industry would materially reduce the number of small units and place the bulk of the business with a reduced number of larger units.

Acquisition of Sefton Manufacturing

Acquisition of Sefton Manufacturing Corp. and of Dixon Board Mills, Inc., was announced earlier this year as the first step in the company's expansion program. Properties of these two companies, with a value of \$5,000,000, were acquired from Sefton, Inc., a holding company, for 117,514 shares of Container's Class A stock with a parity value of \$2,340,000 and an approximate market value of \$2,115,000 at that time. Through the transaction, Container extended its operations into extensive new fields (primarily the folding box business) without incurring the usual heavy expenses of development.

Its most recent purchase, that of the Gibraltar Corrugated Paper Co. at North Bergen, New Jersey, gave Container improved manufacturing facilities to serve the New York metropolitan area, and further strengthened its position in the industry. Hitherto, New York business has been handled through the company's Sefton division, which operated in a leased plant in Brooklyn. This division will be merged with Gibraltar and the paper board supply of the new unit will be manufactured in the Philadelphia plant while the paper boxes will be made at the North Bergen plant. Substantial operating economies should result from this consolidation of eastern facilities.

Container Now Has 19 Plants

Negotiations for further acquisitions are in progress, and it is possible that a number may be consummated before the end of this year. The latest acquisition brought the number of plants operated by Container Corp. to 19, located in the largest of the middle western and eastern cities.

Container sells to the food and other essential industries which have not suffered large declines in volume this year. This fact, coupled with a reduction in raw material costs and the utmost operating efficiency, enabled the company

to show a substantial increase in net profit for the first six months of this year as compared with the corresponding period of last year. This improved showing was effected in the face of severe overproduction resulting in drastic cutting and a consequent reduction in the selling price of the company's products.

Bookings in the first half of July, this year, were well ahead of June, but dropped off in the last half of the month, recovering again in the first half of August. They remained, however, below last year. Although the company was able to show a substantial increase in net profit in the first half this year as against the first half last year, it is doubtful whether it will show a similar increase in net profit over the last half of 1929 if volume remains below that of last year.

Before the end of the year Container Corp. probably will introduce a new product which after extensive research work has been perfected in the corporation's laboratories. The management feels that this product should substantially increase sales and earnings of the company.

Present capitalization of Container consists of 18,000 shares of preferred stock, 380,524 shares of Class A common and 582,789 shares of Class B common stock. The funded debt amounts to \$9,725,000.

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CORPORATION FILE

9/16/30

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Container Corp. Plans Entrance Into New Field

Plant Will Be Built for Production of Kraft Pulp and Paperboard

Securities Will Be Offered

From THE WALL STREET JOURNAL Chicago Bureau
3-9-36

CHICAGO—In the near future Container Corp. of America, and other interests, propose a new company, in which Container will have a controlling interest, for the production of kraft pulp and paperboard. The new company will build a sizable plant somewhere in the South.

This step will mark Container's entrance into an entirely new field. The company currently produces neither kraft pulp nor kraft paperboard, but does use some kraft pulp, in the manufacture of jute board, which it purchases from Europe. In connection with this move Container will also begin the manufacture of kraft paperboard containers which it has not done heretofore.

New Company to Offer Securities

It is understood the new company will obtain its capital from the sale of preferred stock or bonds, or both, and common stock. Container will purchase a controlling block of the common stock, while the other interests will buy the prior obligations and possibly some of the equity stock.

From present indications it will be 15 to 18 months before the new company will have its plant completed. Upon its completion, Container and the other financing interests will take 75 to 80% of the total output. Container will be able to obtain all of its kraft requirements from the new company and discontinue its European purchases.

Following the last meeting of directors Walter P. Paepcke, president, announced that "it was concluded to take no action on dividends at this particular time because of a very important project under consideration which requires a financial investment." The meeting was held in the Southeast and while there directors inspected a number of possible locations for the new company's plant.

How long the new venture may delay the resumption of dividends cannot be determined, particularly since it cannot be learned how Container will finance the purchase of stock in the new company. The company's common stockholders have received no dividends for about six years.

Business Recovers Substantially

In the past two years Container has enjoyed a substantial recovery in its business. In 1935 the company earned \$1,238,009, or \$1.89 a share on 653,540 shares of \$20 par capital stock now outstanding, compared with net profit of \$1,112,711 in 1934.

As a result of the sizable profits of the past two years, Container has improved its cash and surplus position materially and paid off entire accumulations on the preferred stock, eliminated recently through an exchange of stock. Although it has spent considerable on its plants in the past two years the company's cash has more than doubled since 1933, and now is in excess of \$1,000,000. As of the close of 1935, the company had over \$500,000 in earned surplus, so that it could afford to resume dividends now were it not for the contemplated expenditures.

In January and February this year the company is understood to have done a little better profitwise than a year earlier, although the showing was not up to expectations, principally because of severe cold and heavy snows. Bad weather curtailed volume somewhat because of the inability to make deliveries, a large part of which are made by truck. Furthermore, selling prices today are lower than a year ago, and production costs were increased by the cold weather as heavy snows interfered with the gathering of waste paper, the company's principal raw material, thereby causing a temporary scarcity and a rise in prices.

Container Corp. Plans \$4,000,000 Bank Credit As Well As New Issue

Stockholders to Vote on Proposals
June 1—To Retire Funded Debt
And Build Mill in South

Container Corp. of America plans to arrange a \$4,000,000 four to five year bank credit at about 3% interest in addition to issuance of 200,000 shares of \$50 par preferred stock to pay not more than 5% annually. Walter Paepcke, president, told stockholders at an informal meeting to explain the proposal to be voted upon at annual meeting in Chicago on June 1.

Net proceeds of \$9,500,000 from sale of preferred, plus the \$4,000,000, will be used to retire the \$7,654,172 of funded debt now outstanding, with about \$6,000,000 to be spent for the new 100,000 to 120,000 ton kraft mill in Florida.

Mills operating in the South on kraft are showing a profit of about \$10 a ton, Mr. Paepcke said. Asked to estimate the profit which could be obtained by Container from the new mill, Mr. Paepcke said that share earnings should be considerably better after new mill is operating if market remains about as it is at present. He said that he did not believe the new capacity in the South would displace business which it now handled in the North.

Prices in Recent Gains

Prices for container boards have shown some increase recently. They are lower than a year ago but better than they were 60 to 90 days ago and the trend is upward.

The profit for first four months of 1936 was reported by Mr. Paepcke as being \$246,076, or within about \$10,000 of earnings for same period last year.

New preferred stock will not carry more than a 5% dividend rate, Mr. Paepcke said, because if a higher rate is demanded by bankers, Container will not finance. The stock either will be convertible into common stock, or will carry warrants calling for the purchase of common stock, he said, and it probable that the latter plan will be adopted. Purchases price for common stock under warrants to be attached to the preferred was suggested at "\$23, \$25, \$26 or \$27 a share, Mr. Paepcke said.

Approval of plan to construct the new mill was expressed by a stockholder who raised the question of possible dilution of the common stock. Mr. Paepcke pointed out, however, that part of the preferred issue would remove some of the borrowed money and substitute therefore "partnership" money.

Action of company in paying off preferred dividend accumulations was attacked by a stockholder who argued that preferred stockholders should have been asked to take common stock in settlement.

Dividend May Be Delayed

Company will have to pay interest on its bank credit and dividends on the new preferred stock, a stockholder suggested, which probably would delay payment of common dividends. "We couldn't pay dividends for six months anyway," Mr. Paepcke said, adding that the construction of the new mill might delay such action another year.

Owens-Illinois Glass Co. which had held 98% of the preferred stock converted last December into common stock, holds 50,000 shares of Container common stock, Mr. Paepcke said.

It is the hope of company that sooner or later the preferred stock which it proposes to issue will be retired, leaving company with no funded debt and only common stock outstanding.

In his talk, Mr. Paepcke outlined company's entire line of products, the improvement in the position since 1929, and reasons for planning the new mill. Company's northern mills, he said, are in a favorable position in competition with mills of other companies in the same territory, but are at a \$7 a ton disadvantage in comparison with southern mills.

The container board industry has been growing at the average rate of 6% per annum for the last 25 years, Mr. Paepcke said. Last year 4,500,000 tons of paperboard were produced, and the increase so far this year is 8%. A 6% gain would mean 270,000 more tons of paperboard will be used, "and if we don't supply part of this paper, others will," he said.

Imported Swedish Pulp

Last year Container Corp. imported 32,000 tons of Swedish pulp at a cost of \$40 a ton compared with \$25 a ton in 1932-33. This would be supplied by Container's new mill, and with other tonnage for which it would have use, would take about one-half of the capacity.

Tonnage of paper board now being sold is far ahead of what it was in 1926, but the selling price is only 65% of what it was at that time, he pointed out.

Of the proposed increase in common stock by 600,000 shares, 400,000 would be reserved for conversion of the new preferred or for the exercise of the warrants, he said.

It would not be necessary to make any substantial investment in timber lands because of the tremendous amount of slash pine available which can be purchased from owners of land. Nor will the investment in land be large Mr. Paepcke suggested, probably not running more than \$50,000 or \$60,000, with the possibility that the land might be given to the company.

Container Corp. makes about 11% of the national volume on its products, its nearest competitor makes about 8%, and the third largest company makes about 6½% of the total.

Oil Container Sought

Nothing is being done by Container on a paper milk container, but it has been investigating the paper oil container, for which it foresees a large market, Mr. Paepcke informed the stockholders. "So far, the ideal oil container has not been found," he said.

Consolidated balance sheet of the Container Corp. of America and subsidiaries, as of April 30, 1936, shows total assets of \$23,439,516 comparing with \$23,327,643 on December 31, 1935, and earned surplus of \$793,821 against \$547,745. Funded debt amounted to \$7,654,172 against \$7,736,360.

Current assets as of April 30, 1936, including \$1,375,590 cash, amounted to \$5,429,253 and current liabilities were \$1,423,108, comparing with cash of \$1,131,576, current assets of \$5,183,216 and current liabilities of \$1,555,124 on December 31, 1935. Inventories amounted to \$2,632,150 against \$2,896,060.

This image shows a blank, aged, cream-colored page, likely an endpaper or flyleaf of a book. The paper has a slightly textured appearance with some faint smudges and discoloration, characteristic of old paper. A dark vertical strip is visible along the right edge, suggesting the binding or gutter of the book.

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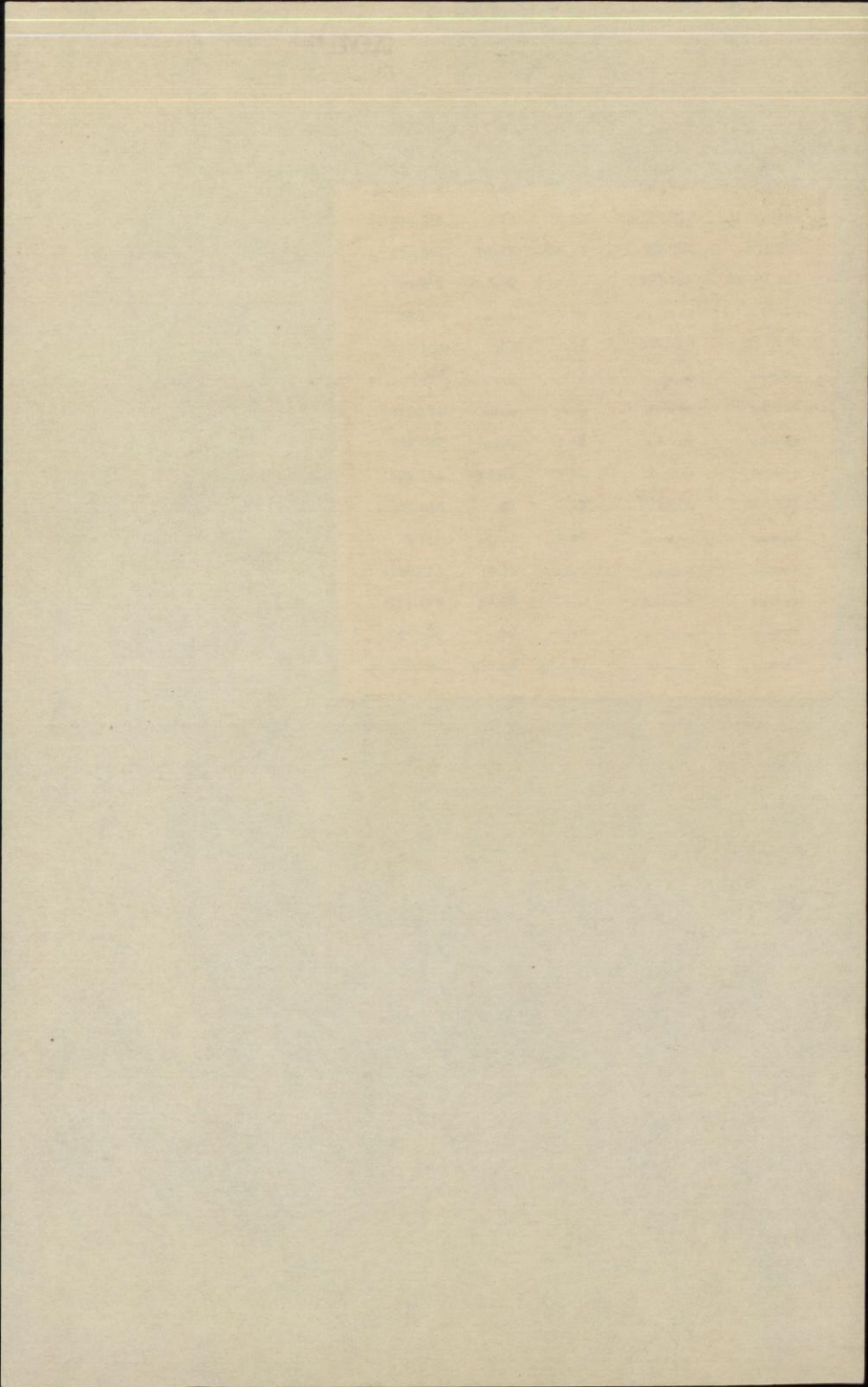
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Container Corp. Closes Down Cincinnati Plant Indefinitely

From THE WALL STREET JOURNAL Cincinnati Bureau
3-12-36

CINCINNATI—Container Corp. of America has shut down its Cincinnati plant "for an indefinite period" and operations will be transferred to other cities. John Hyde, plant manager, in a letter to the 400 employees announcing the action said it was caused by vandalism in the plant, and threats of strikes on the part of a few employees who constantly were stirring up dissension.

Officials of the Brotherhood of Pulp, Sulphite & Paper Mill Workers local charge the closing of the plant is a lockout. Friction between union and company officials arose when the company discharged the financial secretary of the union. The union expects to file charges of unfair labor practices with the National Labor Relations board here.



Container Corp. Lets Contract for First Unit Of \$7,000,000 Pulp Mill

7182-1-19-37

CHICAGO — Contracts totaling \$1,250,000 have been let for the first unit of a pulp and paper board mill to be erected at Fernindina, Florida, by Kraft Corp. of America, a 100% owned subsidiary of Container Corp. of America. Complete plans for the Fernandina project call for a \$7,000,000 building expenditure, according to Walter P. Paepcke, president of Container Corp.

Included in the contract already let are provisions for a building on the company's 200 acre plot on the tide waters of the Amelia River at Fernandina and the major machinery. It is estimated another \$1,250,000 will be spent on other plant equipment before the first unit is completed. Unless delays are incurred because of inability to get materials, it is anticipated that the first unit will be completed in September.

The first unit will have an annual capacity of 40,000 tons of kraft pulp and will be used only in the production of pulp. Completion of the entire project will bring the capacity up to 120,000 tons of pulp and paper board a year.

3: Cleveland, O.

Container Corp. Plans No Financing For Florida Mill

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BUSINESS INFORMATION BUREAU
CORPORATION FILE

Limiting Size of Plant and Expects To Use Cash From Treasury to Start Construction

7187-2-13-37

Container Corp. of America will do no financing in connection with the construction of a kraft pulp mill at Fernandina, Fla. Limiting the size of the mill, at least initially, to 40,000 tons annual capacity, will make it possible for Container to provide the funds out of its treasury, with the probable assistance of some bank borrowings and part of this year's earnings. The original intention had been to construct a mill with 100,000 to 120,000 tons annual capacity. Such a mill would have covered all of Container's kraft pulp requirements and would have left possibly as much as 80,000 tons to be offered for sale. With the kraft pulp market advancing steadily, there apparently is a big demand for this pulp, but Container has decided upon a more conservative policy.

Over the past four years the company has followed a program of modernization of its northern mills, and in all has paid out between \$5,000,000 and \$6,000,000 on this rehabilitation work. Of this, about \$2,000,000 came from current earnings, the balance being drawn from depreciation reserve.

Inventory Liquidation Likely

With the expansion in the South, modernization efforts in the North probably will be relaxed. It is probable that about \$750,000 will be taken from the depreciation reserve for partial financing of the southern mill. Another source of income will be liquidation of part of the large inventory of kraft pulp which the company is currently compelled to carry. This pulp is imported from Finland, and during part of the year navigation is impossible on the Baltic Sea and no pulp is shipped from abroad.

When the new mill is in operation, it will provide a continuous supply, which will make unnecessary large reserves. Liquidation of a part of these reserves could provide between \$300,000 and \$400,000 of additional funds for plant construction.

With the earnings trend sharply upward, it is understood that Container's present intention is to retain part of its earnings, to pay a surtax thereon, and use these funds for the mill.

Flood Reduced 1936 Volume

Flood conditions and other factors reduced Container's volume and profits in the first quarter of 1936, and that period showed earnings of only \$179,303 or 27 cents a share on the 653,540 shares of stock compared with \$207,810 or 31 cents a share in the first three months of 1935. Subsequent periods more than made up for this decline, however, and the full year is expected to show earnings of from \$1.90 to \$2.00 a share compared with \$1,238,009 or \$1.89 a share in 1935. December last year was the first time in 15 years that Container or its predecessor companies showed a profit.

The current year has started with operations and prices well above a year ago. Should the existing rate of business be maintained throughout the quarter, net profit might run as high as \$400,000, which would be equal to 60 cents a share or more on the stock, and be more than double the profits of a year ago.

The first and fourth quarters normally are the poorest of the year for Container, although last year the first quarter was the poorest.

Southern Railway 1936 Net \$4,304,936 Had Loss Year Before

Earnings Shown in Preliminary Report
Equal to \$1 Per Share
Common Stock

Preliminary report of Southern Railway for year ended December 31, 1936, shows net income of \$4,304,936 after taxes and charges equal after allowing for interest on 5% non-cumulative preferred stock to \$1 a share on 1,000,000 shares of common stock.

The company with an issue of \$1,000,000 in 1935.

Preliminary income account for year 1936 is summarized as follows:

Income	\$4,304,936	1935	\$3,111,111
Expenses	1,000,000	1935	1,000,000
Net income	\$3,304,936	1935	\$2,111,111
Income	\$4,304,936	1935	\$3,111,111
Expenses	1,000,000	1935	1,000,000
Net income	\$3,304,936	1935	\$2,111,111
Income	\$4,304,936	1935	\$3,111,111
Expenses	1,000,000	1935	1,000,000
Net income	\$3,304,936	1935	\$2,111,111

Alabama Great Southern

Preliminary report of Alabama Great Southern for year ended December 31, 1936, shows net income of \$1,450,121 after taxes and charges equal under the participating provisions of the stock to \$1.50 a share on 1,000,000 shares of 5% participating preferred and 1,000,000 shares of ordinary stock.

The company with an issue of \$1,000,000 in 1935.

Preferred stock is entitled to \$1 per annum on \$1,000,000 of stock and has received \$1,000,000, per annum, both classes participating equally, there for share in the remainder.

McCarty Stores Earnings \$2,428,165 in 1936 Equals \$2.15 on Common

Operations During Four Months
Reorganization Included up to
1935—Current Assets \$1,111,111

Report of McCarty Stores for year ended December 31, 1936, shows net income of \$2,428,165 after taxes and charges equal under the participating provisions of the stock to \$2.15 a share on 1,000,000 shares of 5% participating preferred and 1,000,000 shares of ordinary stock.

PAPER BOX FIRM TO LOCATE HERE

Container Corp. Signs Lease
for Manufacturing Branch;

Opens March 1

CP 1-24-38

By MILTON WIDDER

The Container Corp. of America, one of the largest paper box manufacturers in the country, will open a manufacturing branch in Cleveland March 1.

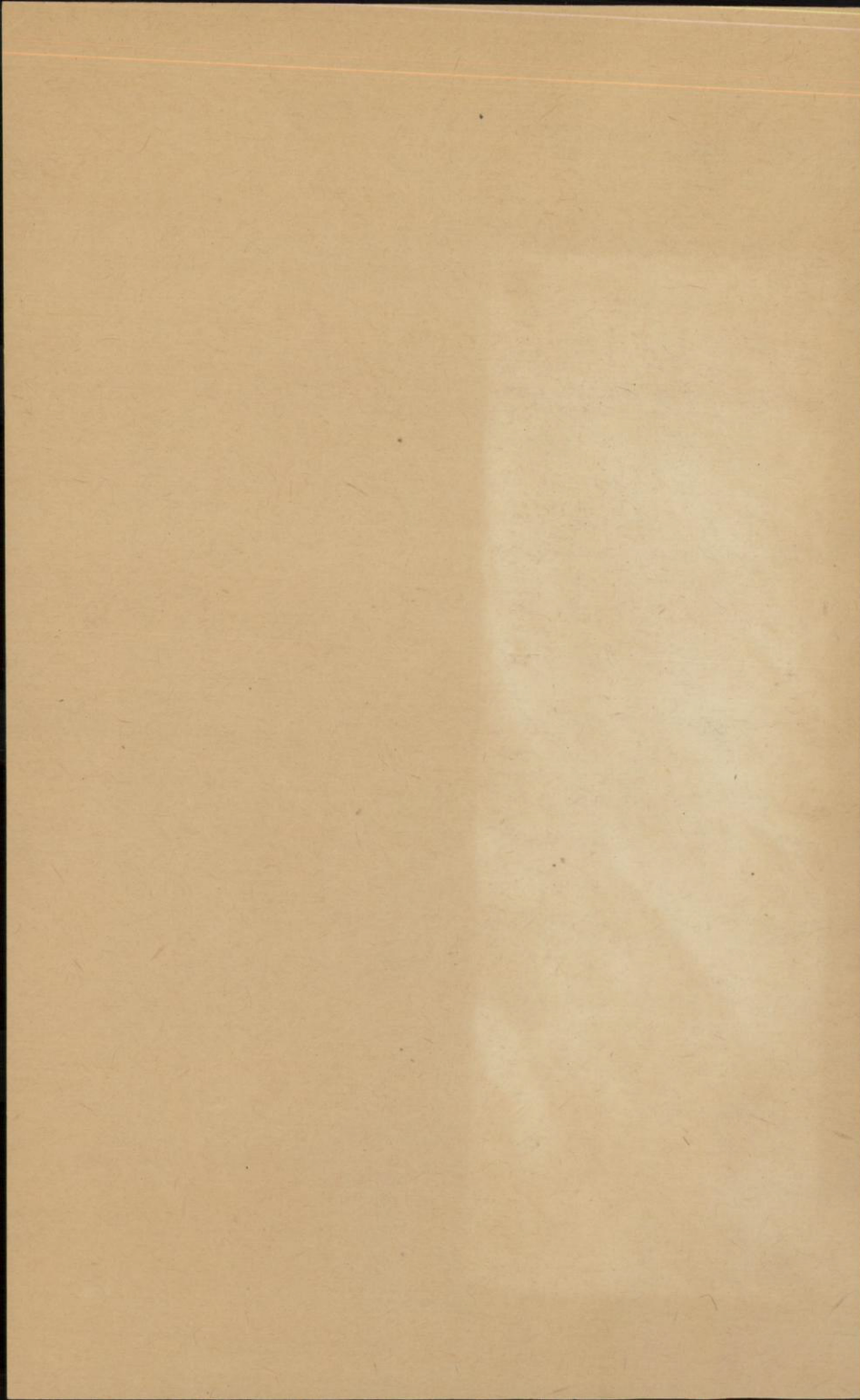
The firm leased for five years 62,000 square feet of space on the second floor in the former Stearns Motor Co. No. 3 building, on Euclid avenue at Lakeview road, from the American Industrial Buildings Inc., owners of the property.

Provisions are made for an option to take half of the first floor within two years and the entire first floor within another five years. The rental of \$16,000 for the second floor would go to \$40,000 with exercise of the option.

The owners of the building will spend around \$25,000 for remodeling the space and the Container Corp. will spend around \$30,000 for new equipment.

At first 100 men will be employed at the plant here, according to Joseph B. Shepler, attorney for Container Corp., a Chicago concern.

The deal was handled through Raymond T. Cragin, of Cragin & Morris, realtors. Robert S. Garson was the attorney for H. D. Koblitz, president of the company owning the building.



CLEVELAND GETS ANOTHER INDUSTRY

Container Corp. Leases in
Former Stearns Factory

CP 19-2-15-38
BY JAMES G. MONNETT, JR.

Papers have been escrowed for one of the best industrial deals in a year negotiated by Raymond T. Cragin of Cragin, Morris & Co., National City Building.

In the former plant of the F. B. Stearns Co. at Euclid Avenue and Lakeview Road, the Container Corp. of America has taken large space for one of its principal plants, of which it now operates ten in the United States. The space was leased from American Industrial Buildings, Inc., of which H. D. Koblitz is president. That company recently bought the entire former Stearns motor car plant of 365,000 square feet from Union Properties, Inc.

For five years the Container Corp. takes 65,000 square feet on the second floor of the main, or west building of the group for which it will pay \$16,000 rental. The lease contains options to lease an additional 35,000 square feet before the end of the second year and another 35,000 square feet before the end of the fourth year, both on the first floor, and the maximum rental will be \$65,000.

Work already has been started by the Harris Construction Co. on alterations and installation of a Westinghouse elevator at a cost of \$20,000. In addition the Container Corp. will expend \$30,000 for new equipment. With taking over of the additional first-floor space, the corporation intends to install a new method

of processing requiring high pressure steam. It was stated that about 100 men would be employed at the outset and that operations would be started about March 1.

This lease leaves only 125,000 square feet of space untenanted. Koblitz has in progress negotiations for parts of that space with two other tenants.

1938

Container Corp. 11872-16-38

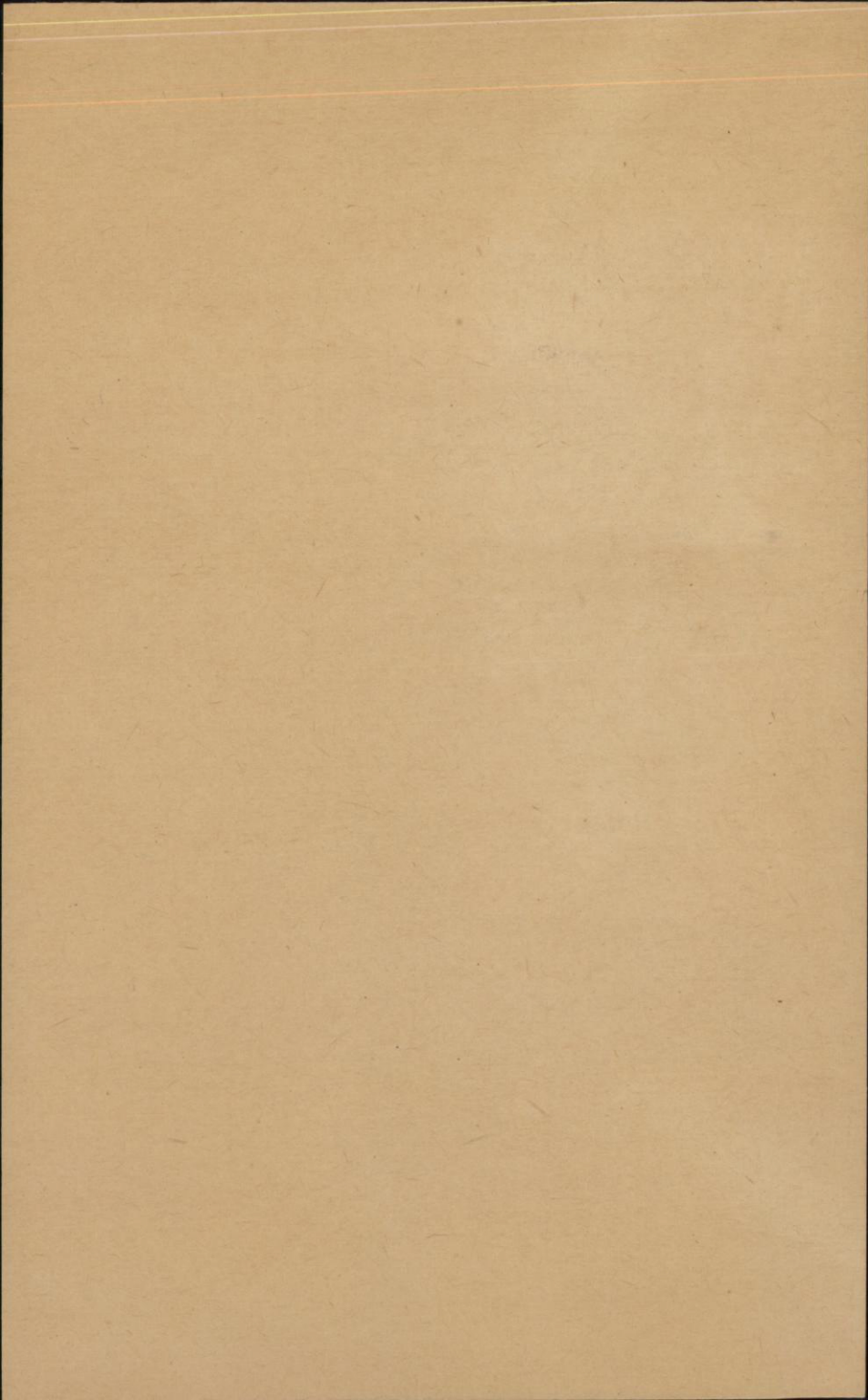
CLEVELAND—Container Corp., of America has leased 65,000 square feet in the former Stearns Motor Car plant here. The lease contains an option to increase the space by an additional 35,000 square feet before the end of the second year and another 35,000 square feet by the end of the fifth year.

Spokesman for the lessor stated that the lease was to run for five years with the option to renew for an additional five years and that operations at the plant would begin about March 1 with 100 men employed at the outset.

MOVING TO CLEVELAND

~~CPS-3-8-38~~
Operations of Cuyahoga Falls Paper
Box Plant Transferred

Operations of the Falls Paper Box Co. will be transferred from Cuyahoga Falls to Cleveland as a consolidation with the Container Corp., B. F. Harr, superintendent, states. More than half of the 35 employes will be given work at Cleveland. The Container Corp. recently acquired considerable space in the F. B. Stearns Building, Euclid at Lake View Road.



CLEVELAND GETS ANOTHER INDUSTRY

FEB 15 1938 **CLAIN DEAL**
Container Corp. Leases in

Former Stearns Factory

BY JAMES G. MONNETT, JR.

Papers have been escrowed for one of the best industrial deals in a year negotiated by Raymond T. Cragin of Cragin, Morris & Co., National City Building.

In the former plant of the F. B. Stearns Co. at Euclid Avenue and Lakeview Road, the Container Corp. of America has taken large space for one of its principal plants, of which it now operates ten in the United States. The space was leased from American Industrial Buildings, Inc., of which H. D. Koblitz is president. That company recently bought the entire former Stearns motor car plant of 365,000 square feet from Union Properties, Inc.

For five years the Container Corp. takes 65,000 square feet on the second-floor of the main, or west building of the group for which it will pay \$16,000 rental. The lease contains options to lease an additional 35,000 square feet before the end of the second year and another 35,000 square feet before the end of the fourth year, both on the first floor, and the maximum rental will be \$65,000.

Work already has been started by the Harris Construction Co. on alterations and installation of a Westinghouse elevator at a cost of \$20,000. In addition the Container Corp. will expend \$30,000 for new equipment. With taking over of the additional first-floor space, the corporation intends to install a new method of processing requiring high pressure steam. It was stated that about 100 men would be employed at the outset and that operations would be started about March 1.

This lease leaves only 125,000 square feet of space untenanted. Koblitz has in progress negotiations for parts of that space with two other tenants.

Heavy Construction Up

It doesn't look much like a recession in the field of construction contracts requiring engineering service, according to the report of Engineering News-Record, released last night.

Heavy construction awards for the first six weeks of this year, totaling \$315,825,000, are 28 per cent. higher than for the like period of 1937. Of the total \$131,601,000 is private, 35 per cent. above 1937, and \$184,224,000 is public, 22½ per cent. higher.

The construction index for February is 243.39, a drop of 0.46 of a point or 0.2 per cent. below January which also was slightly under December. The January drop was due to a fall in lumber prices, that of February to a decrease in the common labor rate in twenty cities—partially offset by a rise in cement prices.

Four Downtown Leases

Laurence H. Lang leased for the Melville Realty Co. a store unit at 225 Euclid Avenue to the Thom McAn chain store organization for five years.

At 707 Euclid Avenue, Bert Abrams of Joseph Laronge, Inc. leased a unit to Bernie's Men's Shop at \$4,500 a year. The lessee will move from the store taken by the shoe chain.

At 2058 E. 4th Street a double unit was leased by Lang to the Dixie Hat Shop on percentage, with a total minimum guaranty of \$35,000. Joseph E. Wurstner, Inc., manager of the property, was co-broker.

DEC 2 1938 * * * CLAIN PRESS Container-Making Plant Is New Addition to City

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This new Cleveland industry is one of the 57 added to the city's diversified enterprises so far this year and M. J. Keenan, plant manager, together with other executives, will be among the guests at the Chamber of Commerce industrial luncheon at the Hotel Carter Tuesday noon.

The Container Corp. of America now operates 12 plants throughout the nation, with headquarters in Chicago. Walter P. Paepcke, president of the corporation, is expected to attend the industrial luncheon.

Nearly 200 workers are employed at the Cleveland plant where printing, corrugated, folding and setup box operations are done with the

most modern equipment.

Paperboard packaging has become the most important factor in the distribution of manufactured products in this country. Touching every aspect of modern life, it is as far-reaching as transportation and is a very important aspect of it.

Only two decades ago merchandise received in bulk by the retailer was measured or weighed, wrapped or put into bags for delivery to the consumer at the time of sale. Wooden boxes, barrels and large crates were then the common containers for the shipment of consumer goods. Pre-packaged merchandise was just beginning to have its effect on methods of sale and distribution.

The change from wood to paperboard packaging was hastened by the advance of industrial chemistry.

The Container Corp. of America is now 12 years old and operates 20 paperboard machines in seven mills to meet varied needs of its fabricating plants and to supply the many different grades of paperboard required by other converters who are its customers.

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Container Corp.

Head of New Plant Here Says Jobholder Is Tops

DEC 6 1936

CLEVE. NEWS

BY F. F. DUNCAN

Most jobholders have more coin in their jeans than most stockholders and are more "just that" than they are shareholders.

I get those two impressions from a half hour talk with Walter P. Paepcke, president of Container Corporation of America and one of the Fifty-Seven the Chamber is entertaining today for bringing a new plant to Cleveland in the past year.

Paepcke I would call an amiable and intensely practical idealist. He has had his eye upon that discordant dividing line between the jobholder and the owner for a long time. And he decided quite some time ago to do something about it.

Container Corp. itself holds something of a unique position in the industry. It is the only company that is integrated. Its paper boxes and its cartons are made from raw materials cut from the company's own slash pine forests in Florida and get their first processing at the

company's own mills at Fernandina.

For Walter Paepcke the business was an inheritance. His father was a pioneer in the business but it was at Walter's hands that a series of mergers nosed the company out into national prominence to where it is handling 10 per cent of the business of an industry that consumes 4,800,000 tons of raw material annually.

It's economy for the grocer to hand out cartoned sugar rather than dig it out from a barrel and it is economy everywhere that you know the kind of goods by the brand it bears. So the business has nothing to do but to grow.

First thing he did was to find out who his 10,000 shareholders are—brush up a speaking acquaintance with them. That was some task. The 4,000 employees in the 15 plants and dozens of branch offices are right where they can be reached. But the ten thousand owners are domiciled everywhere throughout the land and perhaps 25 per cent of them can be reached only through their brokers in whose names the certificates are registered.

Learns About Stockholders

Paepcke had to resort to a questionnaire. It has been completed. Most revealing thing to the chief executive is that 5,500 of them own less than 50 shares apiece, 30 per cent less than 100 shares each.

Occupations of shareholders take in cab drivers, the policeman on the beat, hat checkers, the proverbial bootblack, clerics, salesmen and saleswomen of the downtown stores. Same kind of folk exactly as those in the paperboard and the box and carton factories of Container Corp. of America.

Deductions can almost be taken that the average jobholder is as well off, perhaps better off, than the average jobholder-shareholder of the registration lists.

Last year the jobholders in mills and factories split \$4,000,000, averaging about a thousand dollars a year. The 100-share holder took down \$120, the 50-share holder 60 dollars. This year—a bad one for profits and for shareholders—the 50-share man has had but \$15. Naturally he is leaning upon his job if he has one, rather than his dividends.

So the results of this human in-



WALTER P. PAEPCKE

terest study as to who's who in the shareholder world is going to reach the jobholder presently in the form of a special report from the chief executive.

It's the first time that sort of thing has been done. A half dozen big corporations have been getting out special reports for the employee showing just where the money goes. But none so far had troubled themselves to reach right down into the ranks of the shareholders to find out just who he is, how he lives and the state of his linen. The Paepcke report to employees which will appear next month will be a unique one in that respect.

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CORPORATION FILE

GENERAL REFERENCE DEPARTMENT
CLEVELAND PUBLIC LIBRARY
CLIPPING FILE

New Plant Has Coming-Out Party

Cleveland - New Industries



The Container Corp. of America formally opened its plant at 12401 Euclid Avenue with a dinner and cocktail party at Hotel Statler last night for scores of friends and customers of the company in northern Ohio.

CPD 12-6-38

The guests, before being taken to the News Christmas Fund fights at the Arena, were welcomed by Walter P. Paepcke of Chicago, president of the company. Paepcke will be one of the speakers this noon at the New Industries luncheon at the Carter Hotel honoring the 57 new industries that have come to Cleveland in 1938.

Although the Container Corp. of America came to this city six months ago, last night and today will mark the formal opening. A house warming will be held today at the plant, which makes folding cartons, corrugated shipping cases and set-up boxes.

The company has fifteen plants. It makes paper pulp from slash pine at Fernandina, Fla., collects waste paper which is converted into paper board and manufactures the finished container.

Paepcke is shown in the picture as he welcomed the guests at the dinner. At his right is Walter I. Beam, executive secretary of the Cleveland Chamber of Commerce. Donald B. Gillies, vice president of the Republic Steel Corp., is at his left. At the extreme right is Sterling E. Graham, former president of the Cleveland Advertising Club.

How Paper Containers Are

Head of New Plant Here Says Jobholder Is Tops

BY F. F. DUNCAN

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WALTER P. PAEPCKE

Here is one of the box-making operations at the new plant of the Container Corporation of America, M. J. Kernan, manager, is in the inset

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Paper Box Company Expands Capacity 20 Per Cent by Jan. 1

Container Corp. of America is expanding and modernizing its Cleveland plant to increase the production capacity 20 per cent.

Most of the construction will be finished by the end of the year, an official of the company said today. Additional facilities will be used to increase manufacture of paper boxes now being made for the armed forces, such as ration boxes and boxes for rifles and airplane turrets.

Container Corp. is located in space formerly occupied by the Stearns Motor Co. at 12401 Euclid avenue. Two years ago the company took over 10,000 square feet of floor space to add to the 90,000 square feet it already used.

General offices and the personnel

department, at present crowded out into the lobby, are being moved into the newly-acquired section. A kitchen and cafeteria are being built to serve 60 people at a time. Men's and women's locker and rest rooms are being enlarged and modernized and the size of the first-aid room doubled.

Both the truck and the railroad loading docks are being rebuilt and the shipping and receiving rooms enlarged.

Because of the critical manpower situation here, the Container Corp. doesn't expect to add to the present number of its employees, about

400.

Container Corp.

Appoints Two

Richard S. Thornally has been appointed general manager of the Cleveland plant of Container Corp. of America, it



THORNALLY



MORGANSTERN

was announced today. He has been sales manager.

New sales manager is Grant A. Morgenstern, who has been serving as national accounts representative. Morgenstern has been mayor of Parma Heights since last year.

The new general manager joined the company as a salesman, working in New York. He was appointed sales manager last year.

Container Corp. to Start Million-Dollar Box Plant in Solon

By FRED MOLLENKOPF

The Container Corp. of America plans to break ground in Solon this month for a \$1,000,000 folding carton plant with completion scheduled for Sept. 1.

Councilman Mylon McConoughey, chairman of the village zoning commission, told the Solon Council last night that the Container Corp., which operates plants throughout the county including one in Cleveland, had already submitted plans to his board.

The company has purchased 23 acres, already zoned for industrial purposes, at the southeast corner of Solon and Cochran Roads. The site is part of the Nickel Plate Road's industrial plat.

McConoughey said the plant would contain 110,000 square feet with a similar area reserved for expansion. Seventy factory and 20 office workers would be employed.

New Solon Plant Costs \$1 Million

The Container Corporation of America is planning to erect a \$1,000,000 plant in Solon, Mayor Edwin Carter said today.

Carter said the proposed plant is to be built on an 18-acre site on the southeast corner of Solon and Cochran Roads.

Council tonight will consider granting 5% pay increases to 16 village employees.

Little in The Price

FREE

RS TO PAY

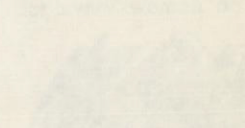
OCT. 1st



in a

Bookbook

Bracelars



**Corlett
Tomorrow**

George Brezovic
One of the outstanding men

MILITARY CO.
HOMESTEAD
JEWEL
GUNS OF TONY PETTIG
THE DEADLY MANTIS
LATE

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Mrs. Martha C. Smith
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**Solon Plant
Opens Soon**

Full production by early June is scheduled for Container Corp. of America's new folding carton plant now nearing completion at Solon, O.

The new plant represents an investment of approximately \$1,300,000. The Solon installation will take over folding carton production formerly handled at Container Corp.'s Cleveland plant.

Located on a 23-acre site, the new plant can be expanded to twice its present size. It now provides 105,000 square feet of floor space. About 200 persons will be employed at the plant initially.

CN 5/1/58

Full production this month is scheduled for **CONTAINER CORP. OF AMERICA**'s new folding carton plant in Solon. Representing an investment of approximately \$1,300,000, it is the latest addition to the Chicago company's coast-to-coast network of production facilities now maintained in 44 cities. The installation will take over folding carton production formerly handled at Container's Cleveland plant, which will continue producing corrugated shipping containers. Located on a 23-acre site, the new plant can be expanded to twice its present size. It now provides 105,000 square feet of floor space, and is equipped with a complete line of multicolor letterpresses, cutting and creasing presses, gluing units, and a waxing machine for cold-waxed cartons. Albert M. Higley & Co. was general contractor, and Mooney Iron Works Co. fabricated and erected the structural steel.

About 200 persons are employed at the plant initially. The management staff includes: R. C. Bittenbender, general manager; E. L. Bradley, sales manager; W. E. Mastbaum, plant manager; M. W. West, plant superintendent; E. J. Jaquay, plant controller; and R. W. Wilson, technical superintendent.

Advertising: Image of Good Taste Created

Late W. P. Paepcke
of Container Corp.

Charted Course

By ROBERT ALDEN

This piece is in the nature of a memorial for Walter P. Paepcke, chairman and chief executive officer of the Container Corporation of America, who died last month in Chicago at the age of 63.

Mr. Paepcke charted a remarkable advertising course that was in accord with his own deeply held views that business too often paid too little attention to ethical, spiritual and esthetic matters; that business, through its advertising, could and should enhance and uplift those things of lasting value in life.

The Container Corporation, through the years, set a pattern in its advertisements that was a very model of creative good taste and excellence. It was also effective. In 1927 sales of Container Corporation were \$11,500,000. By the end of World War II they stood at \$43,000,000 a year. In recent years the company's gross has reached \$275,000,000.

In fact, the advertising policy established by Mr. Paepcke for his company has proved so successful that now plans are being made for its enhancement and expansion. The forces for good, creative advertising that this forward-looking business executive set in motion did not go to the grave with him.

Unknown Industry

In the early years of its existence, the late Nineteen Twenties and the Nineteen Thirties, Container Corporation found that it and practically the entire packaging industry were unknown to the public. How could the company project its name and establish an appealing image for its goods and services?

Mr. Paepcke felt that the advertising medium provided him and his company with an opportunity to shed light in an area of darkness and at the same time build an image of a company. Since Container Corporation was design-oriented, he decided that his first advertising would reflect an image of good taste in art.

In 1937, the famous French poster and mural artist, H. M. Cassandre, was commissioned to do a series of twelve black-and-white designs for the company's advertisements. The copy was limited—a brief message about the company and its products and operations. The series was successful and other artists of stature were called upon to prepare similar advertisements.

"As we looked about for a theme," Mr. Paepcke said, "we found an abundance of thought-provoking material in the feverish rainbow chasing and the

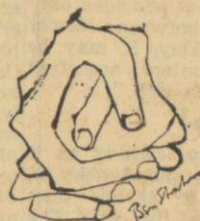
John Stuart MILL
on the training of men

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*Men are men
before they are lawyers
or physicians
or manufacturers;
and if you make them
capable and sensible men
they will make themselves
capable and sensible
lawyers and physicians.*

(Quoted Address at St. Andrew, 1867)

Great Ideas of Western Man... ONE OF A SERIES
Container Corporation of America



Artist: Ben Shahn

Insertion is in Container Corporation of America series

disillusioning characteristic of American life today.

"We were disturbed by the tendency of young people to approach jobs with the question 'What do I get?' instead of 'What do I give?' to look upon an education only as a course in making a secure living, not as a chance to cultivate the understanding of moral and spiritual values so sorely needed for leadership in a troubled world * * *

"Here indeed, thought, was an opportunity to stimulate thinking and discussion about the ideas at the roots of what the philosophers call 'the good life'; ideas that are definitely more important to the preservation of our society and our liberties than the pursuit of material gain."

'Great Ideas' Series

So it was that Mr. Paepcke and his associates created the "Great Ideas of Western Civilization" series—original art of high quality used to enhance a philosophical thought.

The first in this series appeared in July, 1950. Since then, thirteen Great Ideas a year have appeared in Time and Newsweek and six a year in the New Yorker. N. W. Ayer & Son, Inc., has been the agency.

A great deal of planning and effort goes into each advertisement. The text is selected by Mortimer Adler, director of the

Institute for Philosophical Research in San Francisco.

Once the copy is selected, an artist is chosen whose work will in some way relate readily to the idea. Established artists such as Ben Shahn are commissioned to produce a finished work. Younger and less recognized artists are asked to submit sketches, which are then passed upon by an art committee from the company and the agency.

Ralph E. Eckerstrom, the company's advertising director, explains how the advertising program instituted by Mr. Paepcke works on behalf of Container Corporation:

"The campaign could be run by any company because there is no product identity, but it is uniquely tied to only one—the Container Corporation of America. The beauty of design in the advertisements is especially valuable in the packaging field, where art itself is coming increasingly to the fore."

Container Corporation's campaign, because of its high quality, has been showered with awards. It has projected a favorable image of the company and, since its inception, has drawn more than 300 letters a month. Many investors in the company's common stock were drawn to Container Corporation by its advertising program—a program that inspired great confidence in the corporation.

'Great Ideas' Series Linked Philosophy and Original Art

As an advertising dividend, many talented designers, artists and writers have been attracted to seek employment with Container Corporation because of the high level of the company's advertising.

Despite Mr. Paepcke's death, early next fall the company will begin a new series called "Great Controversies of Civilization" in which apparently contradictory philosophical ideas will be expressed in a single advertisement.

The reader will find himself drawn into a controversy—not as to which headache remedy dissolves more quickly in the stomach—but into philosophical matters that have troubled thinking men for centuries.

Perhaps of more significance, the company, which in its trade advertising has pursued a traditional hard sell, is abandoning even that. In its new trade advertising the company will try to create product images, much as it created a corporate image with its Great Ideas campaign.

Mr. Eckerstrom, following Mr. Paepcke's philosophy, believes that society is gradually moving away from the acceptance of purely scientific arguments. He believes that the non-rational connection between product and advertisement is becoming increasingly significant.

Philosophical Approach

So the company's trade advertising will become more institutional and say less about the characteristics of its products. Instead, the concepts of time, space and motion, as applied to their role in packaging, will be emphasized.

Perhaps such a philosophical approach is best understood in terms of what Mr. Paepcke did at Aspen, Colo., where he established, among other things, an Institute for Humanistic Studies whose purpose was to restore the mental and physical vitality of business men.

Since its inception about 170 companies have sent 400 executives to a two-week summer session, a session that includes calisthenics, hot and cold baths, massages, sports, concerts and attendance at philosophical seminars. Mr. Paepcke said:

"A treasurer who goes to Aspen will not learn one single thing about being a treasurer * * * but two weeks in Aspen will equip that treasurer * * * to function better as a human being * * * and consequently as a business man. Aspen turns executives away from the urgent to the important."

So Mr. Paepcke's advertising philosophy has been involved with the real values, not the urgent.

Container Firm Holds Line

By Vartanig G. Vartan

Special Correspondent of
The Christian Science Monitor

New York

In this age of diversification, it's something of a rarity for a big company to hew steadfastly to its traditional line of business. After all, this is the era of acquisition, a time when a soup company can buy a suit company without causing a battled eyelash on Wall Street.

When the New York Society of Security Analysts got a look recently at the new bossman of Container Corporation of America, they were wondering: Is Container about to branch out?

The answer—a firm “no”—came from the new chief executive of the nation's largest paperboard packaging concern. Wesley M. Dixon, a tall, neatly-mustached executive packaged in a gray business suit, told the assembled Wall Streeters:

“We have felt paperboard packaging is our main business. We have no plans today for changing this pattern.”

The pattern was first cut in 1926 when Walter P. Paepcke, the predecessor of Mr. Dixon, launched a company dedicated to turning out paperboard and boxes. His sales that first year—when business generally was booming—hit nearly \$12,000,000.

Sales by 1959 rose to a record \$322,000,000, while earnings topped \$19,000,000.

Specialization Preferred

The Paepcke formula, which apparently pays off, once was described as “single-minded specialization instead of the across-the-board diversification of his rivals.”

Since cellulose fiber (found in trees, waste paper, and straw) is the basic raw material of paperboard, Container takes a whopping corporate interest in such unlikely items as gum trees in the Indiana lowlands and pine seedlings in South Carolina.

Today, it operates more than 50 major mills, processing plants, and factories across the United

States. The mills make paperboard, while the finishing plants print and form a multitude of products. The finished items include shipping containers, folding cartons, fiber cans, and flexible packages of films, plastics and foils.

The housewife picks an endless parade of items in the grocery store packaged with paperboard—dairy products, frozen foods, poultry, meat, fruits, cereal, sugar, salt and soap. In turn, these products and bulk materials are shipped to their destinations in other paperboard containers.

Used as Trend Clue

In fact, so dependent upon paperboard packaging is America's industrial might that some Wall Streeters keep tabs on paperboard volume as a clue to the direction business itself will take in the near future.

While Container sticks to its main business, it constantly hunts for new ways to package paper. In the past, it has turned out such unusual items as a special container (called a “pooch carry box”) to transport pet dogs on train trips.

It plans shortly to introduce that ultimate package—a package for people. Actually, it's a collapsible paper hut designed for ice fishermen. Who can use such a product? “Well, it should go over big,” says a Container man, “in places like Wisconsin where people can fish on the lake ice in wintertime.”

All of this, of course, helps to ring up sales. Another tradition established at Container by founder Paepcke is never to predict earnings. Mr. Dixon, when questioned by the market analysts about prospects for 1960 profits, smiled and showed this tradition, too, will continue. “Earnings,” he said, “should compare favorably with last year.”

Output High

So far this year, he reported, Container has operated at 97 per

cent of its rated capacity, against 93 per cent for the industry.

“The outlook for 1960 volume,” he added, “is to run slightly ahead of 1959 with the greater gains, proportionately, coming in the third and fourth quarters of this year.”

Like many another company, Container is putting increasing emphasis on foreign operations. Foreign sales last year accounted for \$44,000,000, compared with only \$14,000,000 in 1955.

Container views its own best markets overseas for growth potential as being Venezuela, Colombia, and West Germany.

Operations Scattered

Today, the company's foreign operations are conducted in 31 cities scattered among half a dozen countries.

Mr. Dixon unwrapped this view of the foreign potential for the stock market analysts:

“We are applying our experience and techniques in paperboard packages to the development of foreign markets. And the foreign operations likewise are contributing knowledge, machines, and skills to improve domestic products.”

“The rate of growth in foreign markets has been larger than the domestic growth rate—and this trend should continue. . . . The profits from the foreign plants should continue to increase and become a more important part of consolidated earnings.”

While wrapping up consumer products ranging from Tinker Toys to kitchen towels, Container also has unwrapped some of the most unusual advertising campaigns ever launched by a major corporation. Its advertising series on “Great Ideas of Western Man,” for example, featured the work of such contemporary artists as Ben Shahn and the quotations of such learned men as John Stuart Mill. And under the corporate name, showing the gentlest kind of soft sell, was depicted a tiny, opened paperboard carton.

AN APPROPRIATE STORY

Florida's educational building after a major renovation of
interior walls, ceiling, floors, and exterior (above) is
shown from a distance, which illustrates the best work building
the company has done in the region of public buildings.

Interior view of the building, showing the
newly installed ceiling and floor, and
the new platform, showing the
newly installed lighting fixtures.

Success Story That Wraps It Up

By Dorothea Kahn Jaffe

Staff Correspondent of The Christian Science Monitor

Carol Stream, Ill.

This is a sort of empire—a packaging empire—and over it reigns kindly Albert Kner.

In the handsome new building which Container Corporation of America recently completed in this rural spot 30 miles from Chicago, Mr. Kner directs design and research carried on in laboratories here and in some 15 other design centers serving the United States, Western Europe, and Latin America.

Modestly, Mr. Kner told of his work in an interview in his gray-glass-walled office. He had been a publisher in Budapest, and also a craftsman, doing block printing of old manuscripts.

Department Expands

Twenty-five years ago he came with Container Corporation to work on designing packages for products. His department then was a one-man operation. Now more than 150 designers and researchers are employed in the various design centers of the corporation.

The department, a CCA statement says, "is a key element in an organization ranked as the world's largest producer of paperboard packaging" and one which produces also glass and plastic containers and which designs almost anything called for, from airplane interiors to uniforms for truck drivers.

But Mr. Kner's primary interest is not bigness but ideas. He sees packaging as a form of marketing and his depart-

ment's job is "to make the client successful in his business." Each job is individual, and the designer must acquaint himself with the client's problems whatever they may be—sales, distribution, consumer response, improvement of the corporate image. But the designer must never cease to be the artist. "You can't kill people's desire for esthetics," he says.

Keeping in Touch

The designer must always be in tune with his times, Mr. Kner adds. "I surround myself with young staff members to keep in touch with today's taste," he confides. Much current packaging is outdated, he thinks, and needs to be changed to be attractive to today's consumers.

But it isn't always easy to discard the old. Many an executive is sensitive about his packaging.

"He doesn't like to have an outsider tell him to change, even though he comes to the Container Corporation for advice," says Mr. Kner. "This client needs to be treated with patience and gradually led to see why the proposed new design is better than the old."

Files Shown

In the new CCA plant there appears to be unlimited facilities for doing this. Mr. Kner showed this correspondent an array of files containing some 20,000 color slides which give the case history of changes in packaging which other companies have tried and found successful. Here also are all kinds of machines and devices for testing the attention-catching qualities of containers under every sort of condition. Last year the company spent \$3,300,000 for product research and development activities.

"The scientific approach is necessary," said Mr. Kner, "but you must also consider the feelings of your client and those of the consumer."

Sometimes a client learns only from experience. Mr. Kner cited the case of one who tried too hard for perfection.

"He insisted on having a photograph of a perfect cake on his package of cake mix and spent \$20,000 on art work to get it. But no sooner was it on the market than he began getting letters of complaint from homemakers who couldn't achieve the same perfection. He had to throw away \$20,000 worth of printed packages and start over with a realistic picture.

"You must have an absolutely honest approach. If you try to fool the customer you lose him."

